

## Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 NEW DE 01436 301001Z

67

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 IGA-02 STR-04

OES-03 ERDA-05 MC-02 ACDA-05 /117 W

----- 102022

R 300535Z JAN 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3682

INFO AMEMBASSY BONN

USEC BRUSSELS 430

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

C O N F I D E N T I A L NEW DELHI 1436

EO 11652: XGDS-1

TAGS: PFOR, EAID, IN, GW

SUBJ: THE BAHR VISIT - MUCH ADO ABOUT BONN'S BIGGEST AID

"PARTNER"

SUMMARY: BAHR'S TRIP TO INDIA WAS IN LIEU OF PREVIOUSLY DISCUSSED VISITS BY HIGHER LEVEL GERMAN MINISTERS. IT WAS ESSENTIALLY ECONOMIC, AND SERVED TO RATIFY BONN'S DONOR RELATIONSHIP. BAHR SAW THE PRIME MINISTER AND OTHER CABINET OFFICIALS, BUT OFFERED NO INCREASE IN THE GERMAN AID PROGRAM. WE BELIEVE THE GOI IS REASONABLY SATISFIED WITH THE VISIT, ALTHOUGH MRS. GANDHI'S ENTOURAGE MAY RESENT BAHR'S CANDOR. THE GERMAN DID NOT ENDORSE THE "EMERGENCY," ALTHOUGH THE INDIAN PRESS ATTEMPTED TO PORTRAY HIS REMARKS AS SUPPORT OF MRS GANDHI'S MEASURES. FURTHER AUTHORITARIAN STEPS COULD PROMPT A RECONSIDERATION OF BONN'S AID PROGRAM.

END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 NEW DE 01436 301001Z

1. THE GERMANS REGARDED THE VISIT OF MINISTER OF ECONOMIC

COOPERATION EGON BAHR TO NEW DELHI, JANUARY 20 TO 25, AS "RESTITUTION" TO THE GOI FOR CANCELLATIONS OF THE PROJECTED VISITS OF CHANCELLOR SCHMIDT AND FOREIGN MINISTER GENSCHER WHICH WILL NOT TAKE PLACE. OUR CONTACT IN THE FEDREP EMBASSY HERE TELLS US MRS GANDHI'S EMERGENCY LED THE GERMANS TO SUSPEND BOTH THESE TRIPS WHICH HAD EARLIER BEEN DISCUSSED AT A HIGH LEVEL. HE ALSO OBSERVED IN CONFIDENCE THAT BONN HAD INDEFINITELY DEFERRED ALL PLANS FOR A VISIT TO WEST GERMANY BY THE INDIAN PRESIDENT IN SPITE OF FEELERS TO THAT END FROM THE INDIANS.

2. BAHR'S VISIT WAS ESSENTIALLY ECONOMIC AS FAR AS SUBSTANCE IS CONCERNED. HE OFFERED NO INCREASE IN THE WEST GERMAN PROGRAM OF ECONOMIC ASSISTANCE TO INDIA WHICH HE PLACED AT THE \$220 MILLION LEVEL. BAHR DID ANNOUNCE, HOWEVER, THAT REPAYMENT TERMS WOULD BE SOFTENED AND FUTURE CREDITS WOULD CARRY ONLY 0.75 PERCENT INTEREST, REPAYABLE OVER 50 YEARS WITH A TEN YEAR GRACE PERIOD, RESULTING IN A GRANT ELEMENT OF 84 PERCENT. THE EMBASSY HERE POINTED OUT PRIVATELY TO US THAT BONN WOULD AGREE TO SOME MOVE TO EASE THE INDIAN DEBT REPAYMENT BURDEN IF OTHER MEMBERS OF THE CONSORTIUM WOULD ALSO GO ALONG, BUT THAT BAHR TOLD THE GOI THE WEST GERMANS WERE NOT PREPARED TO TAKE A UNILATERAL STEP IN THAT DIRECTION. BAHR TOLD THE PRESS THAT FUTURE WEST GERMAN AID WOULD BE CHIEFLY IN THE AGRICULTURAL AREA, A CHANGE THE GERMAN MINISTER SAID WAS IN KEEPING WITH THE PRIORITIES SET BY THE INDIAN GOVERNMENT. GERMAN AID IS UNTIED; BAHR SAID THE FEDERAL REPUBLIC WOULD MOVE TO PERSUADE ITS EEC PARTNERS TO GIVE ALL AID IN UNTIED FORM. HE AGREED THERE WAS IMBALANCE IN GERMAN-INDIAN TRADE, BUT ADDED THE EEC OUGHT BE REGARDED AS ONE ENTITY AND ASSERTED EEC-INDIAN TRADE WAS ROUGHLY IN BALANCE FOR THE PAST TWO YEARS.

3. IN NEW DELHI BAHR CALLED ON PRIME MINISTER GANDHI, PRESIDENT AHMED, FOREIGN MINISTER Y.B. CHAVAN, AND AGRICULTURAL MINISTER JAGJIVAN RAM. THE MINISTER WAS GREATLY IMPRESSED BY MRS GANVPHI BUT HAD SOURED SOMEWHAT ON HER INNOVATIONS BY THE TIME OF HIS DEPARTURE. SHE REAFFIRMED TO BAHR THAT INDIA DOES NOT INTEND TO BUILD NUCLEAR WEAPONS.  
CONFIDENTIAL  
CONFIDENTIAL

PAGE 03 NEW DE 01436 301001Z

THE DISCUSSIONS WITH CHAVAN, ACCORDING TO OUR CONTACT IN THE GERMAN EMBASSY, WERE QUITE ORDINARY, AND DID NOT TOUCH ON ANY NEW GROUND.

4. BAHR HAD SEVERAL CONTACTS WITH THE PRESS, AND AT LEAST ONE SESSION WITH THE ACCOMPANYING GERMAN PRESS REPRESENTATIVES ALONE. PARENTHETICALLY, WE NOTE THE FIVE GERMAN CORRESPONDENTS, WHO ACCOMPANIED BAHR, WERE NOT REQUIRED TO SIGN THE PRESS GUIDANCE STATEMENT. THIS WAS NEGOTIATED ORALLY BY THE WEST GERMAN EMBASSY AND AN UNDERSTANDING REACHED WITH THE

INDIANS THAT THE VISITING PRESS WOULD FILE "ECONOMIC" STORIES ONLY.

IN RESPONSE TO QUESTIONS FROM THE INDIAN PRESS, BAHR SAID INDIA'S NUCLEAR EXPLOSION GAVE RISE TO "DOUBTS" IN WEST GERMANY ABOUT INDIA'S FUTURE. HE ALSO SAID THE "EMERGENCY" WAS MUCH CRITICIZED IN GERMANY AND THAT HE HOPED THE GOVERNMENT AND PEOPLE OF INDIA CAN RETURN TO FULL CIVIL RIGHTS AS SOON AS POSSIBLE. THE HINDUSTAN TIMES CARRIED THIS STATEMENT QUITE ACCURATELY, ADDING BAHR'S OWN CAVEAT THAT THIS WAS A MATTER THE GERMANS WOULD "LEAVE TO THE PEOPLE RESPONSIBLE FOR THIS COUNTRY." BAHR WAS MISQUOTED ON SOME OF HIS STATEMENTS, HOWEVER, AND THE GERMAN EMBASSY HERE WAS NOT VERY HAPPY ABOUT THE MANNER IN WHICH SOME OF HIS COMMENTARY WAS PLAYED. IT APPEARED TO SUPPORT THE EMERGENCY. WE ARE TOLD, HOWEVER, THAT THE GOI DID NOT MAKE A STRONG PLAY FOR AN ENDORSEMENT OF THE EMERGENCY IN THE FINAL JOINT STATEMENT.

5. OUR GERMAN EMBASSY CONTACT SPECULATED THAT THIS VISIT NEGATES THE "BAHR DOCTRINE" UNDER WHICH ANY RECIPIENT OF WEST GERMAN AID THAT ADOPTS AN AUTHORITARIAN SYSTEM IS CUT OFF. HE ADDED THAT IF INDIAN POLITICAL PRISONERS WERE KILLED, OR THERE WERE ANOTHER NUCLEAR EXPLOSION, THEN BONN WOULD RECONSIDER AND PROBABLY TERMINATE ITS AID PROGRAM.

6. COMMENT: ON BALANCE WE CONCLUDE THAT BAHR' VISIT WAS MUCH ADO ABOUT VERY LITTLE SUBSTANCE. THE GOI FROM ITS POINT OF VIEW PROBABLY REGARDS THE VISIT AS SATISFACTORY, ALTHOUGH WE WOULD WAGER THERE IS SOME RESENTMENT IN THE PRIME MINISTER'S ENTOURAGE AT THE CRITICAL REMARKS BAHR DELIVERED. THE GOI CAN CONSOLE ITSELF WITH THE HARD CURRENCY THAT FLOWS  
CONFIDENTIAL  
CONFIDENTIAL

PAGE 04 NEW DE 01436 301001Z

FROM THE AID PROGRAM, AND BONN CAN CONTINUE TO PLAY THE BENEFICENT ROLE AS A MAJOR DONOR TO A MAJOR AID RECIPIENT. MRS GANDHI'S EMERGENCY MAY EVENTUALLY THREATEN THIS RELATIONSHIP.  
SAXBE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, MINISTERIAL VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976NEWDE01436  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Film Number:** D760036-0597  
**From:** NEW DELHI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976015/aaaaadno.tel  
**Line Count:** 156  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 OCT 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 OCT 2003 by GarlanWA>; APPROVED <03 AUG 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** THE BAHR VISIT - MUCH ADO ABOUT BONN'S BIGGEST AID "PARTNER"  
**TAGS:** PFOR, EAID, IN, GE, (BAHR, EGON)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006